

# SENATE NO. 1616

## **AN ACT** RELATIVE TO LIMITING STATE PENSION BENEFITS

*Be it enacted by the Senate and House of Representatives in General Court assembled,  
And by the authority of the same, as follows:*

1 SECTION 1. Section 1 of Chapter 32 of the General Laws. as appearing in the 2004 Official  
2 Edition, is hereby amended by inserting after the first paragraph in the definition of “regular  
3 compensation” the following:

4 “Regular compensation” during any period subsequent to July 1, 2007 shall mean  
5 exclusively wages received by an employee for services performed in the course of employment  
6 for his employer.

7 SECTION 2. Section 1 of Chapter 32, as appearing is in the 2004 Official Edition, is hereby  
8 amended by inserting after the definition of “Veteran” the following:

9 “Wages” for purposes of this chapter shall mean the salary of an employee paid directly  
10 for employment by an employer and shall include amounts paid as educational incentives,  
11 amounts paid for length of service, amounts paid as premiums for shift differentials, and  
12 amounts paid as cost-of-living bonuses or cost-of-living pay adjustments.

13 All other forms of wages not in conformity with the foregoing and not so determined by  
14 a retirement board in accordance with this section shall not be considered regular compensation

15 for purposes of this Chapter. Examples thereof shall include but are not limited to overtime,  
16 commissions, bonuses other than cost-of-living bonuses, amounts derived from any salary  
17 enhancements or salary augmentation plans of any kind, indirect, in-kind or any payments such  
18 as for housing, lodging, retirement benefits, welfare benefits, workers' compensation benefits,  
19 job-related expense payments, uniform allowances, automobile usage, insurance premiums,  
20 dependent care assistance, tuition or any other fringe benefits, payments in kind and all  
21 payments in any medium other than cash received by an individual from his employing unit for  
22 services rendered to such employing unit, but including evaluated maintenance as provided for  
23 in paragraph (c) of subdivision (1) of section twenty-two.

24 Wages shall not include payment in lieu of or for unused vacation or sick leave, or the  
25 payment for termination, severance, dismissal, or any amounts paid as premiums for working  
26 holidays, except as authorized by law, any amounts paid as early retirement incentives and any  
27 payments made as a result of the member giving notice of retirement.